

OPINION
63-21

February 8, 1963 (OPINION)

BANK OF NORTH DAKOTA

RE: Investments - Certificates of Deposits

You have requested the opinion of this office as to the power of the Bank of North Dakota to purchase bearer form certificates of deposits of metropolitan banks currently in circulation and bearing interest somewhat better than the rates available on short term government paper.

Our examination of the Bank of North Dakota Act convinces us that the Bank may deposit funds in any bank or banking association within or without the state upon such terms and conditions as the Industrial Commission shall determine. Obviously, the certificates of deposit referred to, even though negotiable in form, represent deposits in out-of-state banks.

The bank statute further authorizes the Bank of North Dakota to make loans to state or national banks on such terms and under such rules and regulations as the Industrial Commission may adopt. It seems to us altogether permissible that a portion of the funds of the Bank available for investment may be placed in certificates of deposit of other banks and that the Industrial Commission might properly authorize such investments of funds which otherwise might be placed in short term government paper.

HELGI JOHANNESON

Attorney General